

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

19 Cr. 602

**AFFIDAVIT OF PAUL V. MAY  
IN SUPPORT OF ICBCFS'S  
REQUEST FOR RESTITUTION**

MICHAEL HILD,

Defendant.

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STATE OF *New York* )

) ss:

COUNTY OF *Nassau* )

Paul May, being duly sworn, deposes and says:

1. I am General Counsel at Industrial and Commercial Bank of China Financial Services LLC ("ICBCFS"). I have served as General Counsel for approximately 2 years. I submit this affidavit in support of ICBCFS's request for restitution stemming from the fraud perpetrated by Michael Hild, which damaged ICBCFS by approximately \$35,835,273. The facts set forth herein are based on my personal knowledge and review of ICBCFS's records, and, if called upon to do so, would competently testify to these facts.

2. ICBCFS is a subsidiary of the Industrial and Commercial Bank of China Limited ("ICBC"), and is engaged in financial services.

3. On April 6, 2016, ICBCFS and Live Well Financial, Inc. ("Live Well") entered into a Master Repurchase Agreement ("Live Well Repo Agreement")<sup>1</sup>. Pursuant to the Live Well Repo Agreement, Live Well agreed to sell securities to ICBCFS in exchange for ICBCFS

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<sup>1</sup> A copy of the Live Well Repo Agreement is attached as Exhibit A.

providing Live Well with cash financing. Live Well also agreed to repurchase those securities at a later date. In effect, Live Well provided securities as collateral (the "Live Well Bonds").

4. In accordance with the terms of the Live Well Repo Agreement, in or around November 2018, ICBCFS terminated the transactions and requested that Live Well return the borrowed funds. Live Well refused to comply, and was therefore in default. At that time, Live Well owed ICBCFS \$138,299,412.

5. ICBCFS incurred \$4,537,576 in costs and interest due to borrowing funds from ICBC to finance the Live Well Repo Agreement.


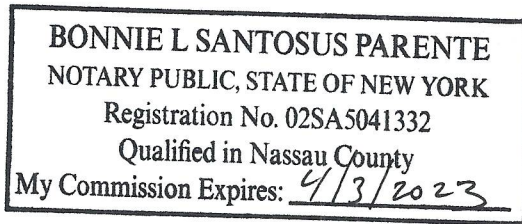
6. In connection with the investigation and related litigation, ICBCFS incurred \$1,540,151 in professional fees; \$1,078,438 related to fees paid to legal counsel, and \$461,714 related to fees paid to accounting firms.

7. On October 22, 2020, ICBCFS sold the Live Well Bonds for \$68,373,242.

8. From November 2018 to October 2020, while holding the Live Well Bonds, ICBCFS received \$39,947,825 in coupon payments.

9. As a result of the fraudulent scheme perpetrated by Michael Hild, ICBCFS therefore suffered damages totaling approximately \$35,835,272:

|   |                      |
|---|----------------------|
| Amount Live Well owed to ICBCFS as of November 2018                                 | \$ 138,299,412       |
| <b>Plus:</b> Amount incurred in costs and interest                                  | \$ 4,537,576         |
| <b>Plus:</b> Amount incurred in legal fees  | \$ 1,078,438         |
| <b>Plus:</b> Amount incurred for fees paid to accounting firms                      | \$ 461,714           |
| <b>Minus:</b> Amount received from the sale of the Live Well Bonds                  | \$ (68,373,242)      |
| <b>Minus:</b> Amount received in coupon payments from November 2018 to October 2020 | \$ (39,947,825)      |
| <b>TOTAL DAMAGES</b>  | <b>\$ 35,835,273</b> |

  
\_\_\_\_\_  
Paul V. May

Sworn to before me this

<sup>1<sup>st</sup> PM</sup>  
~~30th~~ day of ~~June~~ 2021

  
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Notary Public